



**PIMA COUNTY TRANSPORTATION ADVISORY COMMITTEE
(PCTAC)**

**Abrams Public Health Center
3950 S. Country Club Road
Tuesday, January 22, 2018
Noon**

Members Present: Albert Letzkus, Dan Eckstrom, Eric Ponce, Kendall Elmer, Lynne Mangold, Lucretia Free, John Bernal

Members Absent: Rick Price, Dan Castro, Tom McGovern, Curtis Lueck

Vacancies: BOS District 1 (1), BOS District 5 (1)

Others Present: Carmine DeBonis Jr. (PCDOT), Ana Olivares (PCDOT), Jim Cunningham (PCDOT), Robert Lane (PCDOT), Annabelle Valenzuela (PCDOT), Vanessa Schmidt (PCDOT), Priscilla Molina (PCDOT)

1. Call to Order - Roll Call

Chair Free calls the meeting to order at 1:03 p.m. Vanessa Schmidt takes roll call and a quorum is present.

2. Pledge of Allegiance

3. Approval of Meeting Summary for November 27, 2018 Meeting

John Bernal makes a motion to approve the minutes. Kendall Elmer seconds and members unanimously approve.

4. Transportation Funding Sources

a. 1997 Highway User Revenue Funds (HURF)

b. Vehicle License Tax (VLT) Revenues

Carmine DeBonis Jr. presents on both sections. **See "Highway User Revenue Funds, Vehicle License Tax & 1997 HURF Bond" under the "Documents" tab.

Various sources go into making up the HURF monies. For decades, the State Legislature has taken funds out of the initial fund to support the Department of Public Safety. Remaining funds are distributed to different jurisdictions throughout the state. 19% of the funds are distributed to counties.

Ana M. Olivares, P.E., Director

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One component of the VLT is allocated to transportation and the other goes to the counties' general funds. In this region, the Pima Association of Governments (PAG) receives a portion of the funds. In general, the HURF do not meet all of various transportation needs for a jurisdiction. Distribution of funds follows a formula where all of the money goes to the state and distributed back out. The primary factor in fund distribution is based on the county origin of gasoline sales. As a result, Pima County receives a lesser share than Maricopa County. The recently implemented VLT fee will offset the use of HURF towards the Department of Public Safety. One of the greatest challenges we face when attempting to address our funding dilemma involves Arizona's gasoline tax not increasing in over 28 years.

The VLT has a long history. A portion of the VLT revenues is allocated towards transportation. There has been discussion regarding using general funds, which includes part of the VLT, for road repair work. According to the County Administrator, Chuck Huckelberry, this is problematic because there is an inherent tax equity and statutory issue in using general funds for road repair in unincorporated Pima County. Pima County uses its HURF and VLT revenue for various transportation purposes including: road repair; road maintenance (paved and dirt roads); street sweeping; clearing vegetation on medians and right-of-way; shoulder work, sidewalk repair, maintaining signs, signals and lights; all aspects of road improvement projects; pavement preservation on arterial and collector roadways; and paying debt service for the 1997 road bonds. The recent Regional Local Road Repair Program did not use HURF or VLT revenues but, instead, used a temporary 25 cent property tax increase.

Staff presents a timeline of HURF and VLT distributions to the state.

Voters approved the \$350 million 1997 HURF bond package to address road repair with the objective to increase mobility and reduce congestion. Within the last few decades, we have completed over 250 lane mile improvements and 90 safety projects. For the current fiscal year, the debt service payment is \$18.8 million, about 27% of the budget operating expenses of the department. We are heading towards a significant decrease in the debt-service amount we must pay. The department will use this reduction in debt-service payment and monies from the natural growth in HURF and department efficiencies towards future road repair. About \$62.4 million of HURF bonds have not been sold and are allocated to joint projects between Pima County and the City of Tucson, Pima County road projects and 13 safety improvement projects. These monies cannot be diverted from their intended use to address road repair. Year 2 of the \$16 million bond reallocation for road repair will be complete in Fiscal Year 2020.

As a reminder, this committee approved acquiring the \$16 million amount of unused project funds to use towards road repair. The County Administrator has written a memorandum to the Board of Supervisors recommending that we do not divert the remaining HURF bonds to be used on road repair and that any unused monies go towards completing more safety improvement projects.

Staff and members discuss recent updates to the VLT and HURF as well as the state distribution formula for fund allocations.

Michael Racy, Pima County representative at the State Legislature for the past 25 years, presents. He discusses the HURF distribution formula and its origin and the controversy involving the new driver safety fee. The VLT is, essentially, an “in lieu” property tax and is part of the general fund. This means it is not restricted towards transportation purposes like the gas tax is.

c. Alternative Funding

Staff and members discuss the Impact Fee Program. The department is currently working to update the Impact Fee Ordinance.

d. Public Input

- 1) Martha Michaels: expresses concern about the road conditions of the Sabino Town and Country Estates.
- 2) Nathan Barrett, Senior Transportation Planner with PAG provides an overview of PAG’s involvement in the HURF distribution.
- 3) Supervisor Steve Christy, Pima County District 4 Supervisor: urges the department to finding funding for road repair by reallocating unused 1997 HURF bond money.
- 4) Michael Racy: talks about impact fees and the regional and national infrastructure funding crisis.

Members discuss the possibility of implementing a cost-share road option with regional developers and ask for an update on the reauthorization of the Regional Transportation Authority tax.

- 5) William LaRose: expresses concern about the condition of N. Mona Lisa Rd. near Oracle Jaynes Station Rd.

5. Budget Update

a. Fiscal Year 2018/2019 Expense and Revenue Update

Ana Olivares presents. Staff addresses the recent department personnel reduction, which is not shown in this information.

**See “TAC Agenda Item 5a – Fiscal Year 2019 Operation Budget” under the “Documents” tab.

b. Fiscal Year 2019/2020 Budget Highlights

Ana Olivares presents. The recent department employee personnel reduction is shown in this information.

**See “TAC Agenda Item 5b – Fiscal Year 2020 Budget Highlights” under the “Documents” tab.

6. Capital Improvement Program (CIP) Update

Ana Olivares presents.

**See “TAC Agenda Item 6 – Current Capital Improvement Program” under the “Documents” tab.

**See “TAC Agenda Item 6a – Fiscal Year 19-20 Capital Improvements Program Budget” under the “Documents” tab.

**See “TAC Agenda Item 6b – Fiscal Year 2020 Capital Improvement Program Budget” under the “Documents” tab.

7. Next Meeting Agenda and Schedule

The next scheduled meeting will take place on Tuesday, February 26, 2019 at noon at this location.

Staff and members discuss the Bond Advisory Committee, bylaws, possible road repair funding options and proposing a future schedule of PCTAC meetings.

8. Call to the Audience

No one asks to speak.

9. Adjournment

Albert Letzkus makes a motion to adjourn. Lynne Mangold seconds. Chair Free adjourns meeting at 2:38 p.m.